



3 April 1981

MEMORANDUM FOR: Director, OER

FROM: DCI

SUBJECT: Speech - The Center for International Business
Dallas, Texas - April 9, 1981

I need a speech of about 10 to 15 double spaced pages for a conference on international business. I want to deal generally with the way we have been quick to talk about the interdependence of the global economy and been slow to respond to it's imperatives or even reorganize it's implications for our policies and security requirements.

The best thing I've seen on this is Ken Dam's speech, attached. I don't want to get as deep in anti-trust policy as he does. I particularly like what he does on the feedback of inflation and currency fluctuation.

Some of the things I've asked OER to dig into can be used by way of illustration, i.e.,

- the future globalization of the auto industry and the present startling shift of Japanese auto production from 7 million cars to 11 and ours from 11 to 7 in only one year;
- the superior competitiveness and growth of Japanese, Korean, Brazilian steel vs. the decline of ours;
- the Japanese drive on semi-conductors and it's implications for enhanced competitiveness in computers, autos, machinery;
- the Soviet oil situation in terms not only of supply but of price and the pressure coming from offering subsidized price below market to Cuba, Vietnam, Warsaw Pact countries;
- the competitive pressure on U.S. which can be generated as France, Germany, Brazil, Japan, Korea, Taiwan go faster than we to cheaper nuclear power;
- the *large* power outflow of technology from the U.S. and the greater readiness of other countries to use and adapt technologies developed elsewhere;
- the greater willingness of Japanese, German and French emphasis to plan and price in terms of world market share, so well developed by the Boston consulting group.

I'd like to point out these global forces in as constructive and upbeat way as possible.

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Also attached is article from Time, March 30 issue, "How Japan Does It".

WJ Casey
William J. Casey

Attachments:
As stated

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